GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:5945
ANSWERED ON:08.09.2011
APPOINTMENT OF THIRD PARTIES FOR INSPECTION
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that all petroleum companies have appointed third parties for inspection;

(b) if so, the names of companies in which surprise inspection was done by the third party during the last three years along with the number of times such inspection was carried out alongwith the number of people arrested in these inspections;

(c) the basis and process of appointing third party;

(d) the basis of monitoring the impartiality and transparency in the inspection by third party;

(e) whether the quality of work of the third party is better in comparison to the investigation done by the monitoring cell of the companies; and

(f) if so, the details of assessment made in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI R.P.N. SINGH)

(a) & (b): Yes, Madam. Public Sector Oil Marketing Companies (OMCs) have appointed third parties for certification of all their retail outlets selling more than 100 KL per month (average), for carrying out audits mainly on defined Customer Service Index parameters, such as equipment maintenance, housekeeping, other parameters pertaining to customer services. During the last three years and current year 2011-12 (April-June), 60,292 inspections were carried out by the third party auditors.

(c): Tendering process is followed by OMCs for appointing the third party agency.

(d): The retail outlet is audited by the third party as per the standard checklist provided by OMCs. The report/ observation sheet/non-compliance sheet is signed by the dealer and the third party inspector. These formats have no element which is subjective in nature and, as such, are completely transparent, having no scope for any partiality. The audit reports are monitored at regional offices and headquarters of OMCs.

(e) & (f): The third party auditors are appointed to inspect/audit on the mandatory facilities provided at the retail outlets like customer care services, safety of the retail outlet, quality & quantity, housekeeping etc. primarily for certifying that the retail outlets are meeting service standards. The role of Anti-adulteration Cells (AAC) of the OMCs is to independently carry out surprise inspections at all locations including retail outlets, on all aspects of quality & quantity and take action against any malpractices as per Marketing Discipline Guidelines (MDG). Hence, the two mechanisms complement each other, and are geared towards the same objective: to improve service standards and reduce scope of malpractices.